

# DOCUMENT FILE

## NOTE

865 D. 515-

SEE 865d.01/107 FOR #1710

FROM Italy ( Kirk ) DATED May 29, 1936  
TO NAME 1-1127 ...

### REGARDING:

Question of monetary control discussed by various Italian writers, who point to the instability of the thaler, which is the nature of a "commodity currency" and thus fluctuates chaotically. Noted that economy of Ethiopia must be firmly attached to the lira so that it will benefit the Italian balance of trade and of payments.

The question of monetary control has been discussed by various Italian writers, who point to the instability of the thaler, which is in the nature of a "commodity currency" and thus fluctuates chaotically. The thaler must be anchored to the lira and will apparently have a daily official quotation, communicated by telephone, telegraph, and other future means of communications to all parts of the Empire so that the thaler will remain uniform and stable. It is also noted that the economy of Ethiopia must be firmly attached to the lira so that it will benefit the Italian balance of trade and of payments. Importation and exportation of thalers must also be controlled, for if the thaler were allowed to circulate to and beyond the Red Sea as is now the case, it would make a breach in Italian monetary defenses.

In this connection, the following report was published from Vienna on May 26th in all Italian papers:

"The abolishment of the Maria Theresa thaler in Abyssinia, replaced by the lira, will not represent any loss for Austria, since coinage of the thaler by the Vienna mint stopped three years ago. In 1933 the mint coined, for the last time, a million and a half thalers, which was already less than the coinage of 1931 (1.75 million). The mint was interested merely in the actual job of coining, the silver being furnished by the Abyssinian Government."

# DOCUMENT FILE

## NOTE

SEE 765.84/4540 FOR Telegram #383, 11 am.

FROM Ethiopia ( Engert ) DATED May 31, 1936.

TO NAME 1-1127 ...

REGARDING: Export restrictions on silver and precious metals. Decree prohibiting shipment of these items.

wth

865D.515/2

TELEGRAM RECEIVED

1-1836

NPL

FROM

PLAIN

Addis Ababa

Dated June 14, 1936

Rec'd 8:43 p.m.

OFFICE OF ECONOMIC ADVISER  
JUN 17 1936  
DEPARTMENT OF STATE

DIVISION OF WESTERN  
EUROPEAN AFFAIRS  
JUN 17 1936  
DEPARTMENT OF STATE

Secretary of State,

Washington.

June 16 1936 DEPARTMENT OF STATE

420, June 14, 11 a.m.

Legation's 383, May 31.

Exportation of Italian or other foreign paper money, securities, drafts, etc., is now also prohibited. Exchange rate is officially fixed at five Italian lire to one Ethiopian thaler. Bank not yet open. //

JUN 15 1936  
DIVISION OF  
NEAR EASTERN AFFAIRS

NPL

ENGERT

865D.515/3

FILED

JUN 19 1936

GDG

June 18 1936

In reply refer to  
NE 865D.515/3

The Secretary of State presents his compliments to the Honorable the Secretary of the Treasury and with reference to a letter of June 2, 1936, regarding the prohibition of the export of silver thalers and precious metals from Ethiopia advises of the receipt of a telegram dated June 14, 1936, from the American Minister Resident at Addis Ababa, the pertinent section of which reads as follows:

"Exportation of Italian or other foreign paper money, securities, drafts, etc., is now also prohibited.

"Exchange rate is officially fixed at five Italian lire to one Ethiopian thaler.

"Bank not yet open."

865D.515/3

NE:PHAI:LCR  
6.15

JUN 16 1936

*[Handwritten signature]*

June 18 1938

In reply refer to  
NE 865D. 515/3

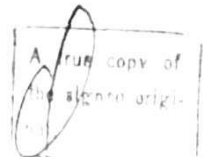
The Secretary of State presents his compliments to the Honorable the Secretary of Commerce and with reference to a letter of June 2, 1938, regarding the prohibition of the export of silver thalers and precious metals from Ethiopia advises of the receipt of a telegram dated June 14, 1938, from the American Minister Resident at Addis Ababa, the pertinent section of which reads as follows:

"Exportation of Italian or other foreign paper money, securities, drafts, etc., is now also prohibited.

"Exchange rate is officially fixed at five Italian lire to one Ethiopian thaler.

"Bank not yet open."

865D.515/3



JUN 16 1938

RE: NEA: LCH  
6/15

## DOCUMENT FILE

## NOTE

SEE 865d.01/119 FOR #1733

FROM Italy ( Kirk ) DATED June 10, 1936  
TO NAME 1-1127 ...

REGARDING: Monetary system.

Under ordinance of the Governor General the thaler has been stabilized at 5 lire, however later the lira will be established as the legal currency. A decree has been issued prohibiting exportation of silver thalers, as well as of precious metals.

# DOCUMENT FILE

## NOTE

865D.515/5

SEE 124.845/37 FOR Tel. #442 10am

FROM Ethiopia (Engert) DATED June 27, 1936  
TO NAME 1-1137 ...

### REGARDING:

Banking facilities not yet available; understands that the Bank of Italy will soon be prepared to ask dollar drafts against lire at official Rome rate; requests information concerning basic rate used in Italy.

emc  
✓

856 d. 515

JS

Gray

ADDIS ABABA Via N R

Dated June 27, 1936

Rec'd 27th 5:35 p.m.

Secretary of State,

Washington, D.C.

442, June 27, 10 a.m.

Department's 258, May 29, 6 p.m. and my 420, June 14, 11 a.m.

There are still no banking facilities but Legation has again been able to obtain funds from local merchants for June disbursements. I understand that Bank of Italy will soon be prepared to ask dollar drafts against lire at official Rome rate. As it may be impossible to obtain thalers next month, request information concerning basic rate used in Italy.

Please inform Bureau of Accounts May accounts will be forwarded by next pouch.

ENGERT

SMS NPL



DIVISION OF  
TRADE AGREEMENTS  
TA  
AUG 13 1936  
DEPARTMENT OF STATE

EMBASSY OF THE  
UNITED STATES OF AMERICA

69763

*WE*  
*AE*  
*TA*

No. 1796.

ROME, July 23, 1936.

Subject: Monetary System for Italian East Africa.

RECEIVED  
DEPARTMENT OF STATE

1936 AUG 5 AM 11 03

DEPARTMENT OF STATE  
AUG 1 1936  
DIVISION OF  
NEAR EASTERN AFFAIRS

DIVISION OF WESTERN  
EUROPEAN AFFAIRS  
AUG 6 1936  
DEPARTMENT OF STATE

OFFICE OF ECONOMIC ADVISER  
AUG 12 1936  
DEPARTMENT OF STATE

AC/C  
RECORDING DESK  
FILE: WMB

*865d. 515*  
*227*  
*884. 515*  
*863. 515*

Copy to Treas.  
Fed. Res.  
Comm.

865D. 515/6

DEPARTMENT OF STATE  
AUG 8 1936  
ASSISTANT SECRETARY OF STATE

The Honorable  
The Secretary of State,  
Washington.

NOT TO BE PUBLISHED  
OFFICIAL INFORMATION

AUG 8 - 1936

FILED  
AUG 22 1936

Sir:  
In reference to my despatch No. 1743 of June 17, 1936, enclosing Law No. 1019 of June 1, 1936 on the Organization and Administration of Italian East Africa, I have the honor to transmit herewith the text and an English translation of Royal Decree-law No. 1371 of July 2, 1936, which establishes a monetary system for Italian East Africa.

The Decree-law, which was published in the Official Gazette of July 22, 1936, provides that on and after July 15th the Italian lira shall be the only legal currency in Italian East Africa. Maria Theresa silver thalers may be exchanged into lire from July 15th on, at branches of the Bank of Italy and at public banks. Nickel and bronze fractional currency must be exchanged between July 15th and

August

EP

August 15, 1936, and Maria Theresa paper thalers between July 15th and October 15, 1936. The rate of exchange will be periodically determined by decrees of the Governors.

With reference to the coinage of the Maria Theresa silver thalers, IL TEVERE under Vienna date line published the following news despatch on July 16th:

"The Maria Theresa Thalers will be coined again in Vienna.

"At the beginning of the Italo-Abyssinian war, Austria ceded to Italy the right to coin Maria Theresa thalers. Now, since the thaler has been replaced by the lira in Ethiopia, it is reported that Italy will return this right to Austria, which will continue to coin thalers for Arabia, the Sudan, and the Congo."

No further mention of this rumor has appeared in the Italian press.

Respectfully yours,



Alexander Kirk  
Chargé d'Affaires ad interim.

Enclosures: ✓

1. Text of law.
2. Translation.

GG/wrm  
851.5

(OFFICIAL GAZETTE of July 22, 1936)

Text

REGIO DECRETO-LEGGE 2 luglio 1936-XIV, No. 1371

Ordinamento monetario nell'Africa Orientale italiana.

VITTORIO EMANUELE III

Per Grazia di Dio e per volontà della nazione

RE D'ITALIA

IMPERATORE D'ETIOPIA.

Visto il R. decreto-legge 1 giugno 1936-XIV, N. 1019,  
sull'ordinamento organico per l'Africa Orientale italiana;

Visto l'art 3, No. 2, della legge 31 gennaio 1926-IV,  
No. 100;

Riconosciuta l'urgente ed assoluta necessità di provvedere al l'ordinamento monetario nell'Africa Orientale italiana;

Sentito il Consiglio dei Ministri;

Sulla proposta del Ministro Segretario di Stato per le colonie, di concerto con il Ministro Segretario di Stato per le finanze;

Abbiamo decretato e decretiamo;

Art. 1. - A decorrere dal 15 luglio 1936-XIV, la lira italiana, con i suoi multipli e sottomultipli, è la moneta avente corso legale nell'Africa Orientale italiana.

Art. 2. - Il cambio in moneta legale dei talleri di argento di Maria Teresa sarà effettuato dal 15 luglio 1936-XIV presso le filiali della Banca d'Italia e presso le pubbliche casse al tasso che verrà periodicamente stabilito con decreti dei Governatori.

Art. 3. - Al tasso di cui all'art.2, e con le modalità di cui all'art. 4, sarà effettuato anche il cambio in moneta legale delle monete divisionali del tallero di Maria Teresa in nichel e in bronzo, nonche dei talleri carta.

Il termine per il cambio delle monete divisionali è fissato dal 15 luglio al 15 agosto 1936-XIV, e quello dei talleri carta dal 15 luglio al 15 ottobre 1936-XIV.

In dipendenza del cambio effettuato a norma del presente articolo lo Stato subentrerà nei diritti delle monete divisionali e dei talleri carta.

Art. 4. - Con decreti del Governatore generale saranno stabilite le modalità per le operazioni di cambio e le altre disposizioni per l'esecuzione del presente decreto, nonché le penalità per i contravventori.

Art. 5. - Il Ministro per le finanze provvederà, con propri decreti, agli stanziamenti di bilancio occorrenti, sia per le operazioni di cambio di cui agli articoli precedenti, sia per le spese tutte inerenti alla esecuzione del presente decreto.

Art. 6. - Il presente decreto entra in vigore dal 15 luglio 1936-XIV, e sarà presentato al Parlamento per la conversione in legge.

Il Ministro proponente è autorizzato alla presentazione del relativo disegno di legge.

Ordiniamo che il presente decreto, munito del sigillo dello Stato, sia inserto nella raccolta ufficiale delle leggi e dei decreti del Regno d'Italia, mandando a chiunque spetti di osservarlo e di farlo osservare.

Dato a San Rossore, addì 2 luglio 1936-Anno XIV

VITTORIO EMANUELE

Mussolini - Lessona - Di Revel.

(OFFICIAL GAZETTE of July 22, 1936)

Translation.

Royal Decree-law No. 1371 of July 2, 1936-XIV. Monetary system of Italian East Africa.

Victor Emmanuel III

By the Grace of God and the Will of the Nation

King of Italy

Emperor of Ethiopia.

In view of Royal Decree-law No. 1019 of June 1, 1936-XIV regarding the organization of Italian East Africa;

In view of Article 3, No. 2, of Law No. 100 of January 31, 1936-IV;

Recognizing the urgent and absolute necessity of providing for the monetary system of Italian East Africa;

Having heard the Council of Ministers; at the instance of the Minister Secretary of State for Colonies, in agreement with the Minister Secretary of State for Finances;

We have decreed and do decree:

Art. 1. Beginning on July 15, 1936-XIV, the Italian lira, with its multiples and fractions, shall be the currency having legal circulation in Italian East Africa.

Art. 2. Exchange of Maria Theresa silver thalers into legal currency shall be effected from July 15, 1936-XIV at the branches of the Bank of Italy and at the public banks at a rate which will be periodically established by decrees of the Governors.

Art. 3. At the rate referred to in Article 2 and in conformity with the regulations referred to in Article 4, there shall also be exchanged into legal currency the nickel and bronze fractional currency of the Maria Theresa thaler, as well as

the

the paper thalers.

The period for the exchange of fractional currency shall be from July 15th to August 15th, 1936-XIV; and for paper thalers, from July 15th to October 15th, 1936-XIV.

As a result of the exchange effected under the provisions of the present article, the State will take over the rights to the fractional currency and the paper thalers.

Art. 4. By decrees of the Governor General, the regulations for the exchange operations and the other provisions for the execution of the present decree, as well as penalties for infringers thereof, shall be established.

Art. 5. The Minister of Finance shall provide, by his own decrees, for the deposit of the amount necessary both for the exchange operations referred to in the preceding articles and for the expenditures directly arising from the execution of the present decree.

Art. 6. The present decree shall go into force on July 15, 1936-XIV, and shall be presented to Parliament for its conversion into law.

The Minister proposing it, is authorized to present the relative draft of the law.

We order that the present decree, sealed with the Seal of State, be placed in the official collection of laws and decrees of the Kingdom of Italy and command that it be observed and caused to be observed by all concerned.

Given at San Rossore, July 2, 1936. Year XIV.

Victor Emmanuel

Mussolini    Lessona    Di Revel

Seen: The Keeper of the Seals: Solmi.

# DOCUMENT FILE

## NOTE

SEE 865d.01/157 FOR Despatch #1797

FROM Italy ( Kirk ) DATED July 22, 1936.  
TO NAME 1-1127 ...

REGARDING: Royal Decree No. 1371 of July 2, 1936, published in the Official Gazette of July 22nd, making the Italian lira the only legal currency of Italian East Africa as of July 15th. Provision for the exchange of Maria Theresa silver thalers into Italian lira.

wth

865D.515/7

# DOCUMENT FILE

## NOTE

865D.515

8

SEE 863.00 P.R./126 FOR #872

FROM Austria (Messersmith) DATED Aug. 21, 1936  
TO NAME 1-1127 ..

### REGARDING:

Maria-Theresia Thaler to be continued in Abyssinia. Press reports concerning-.

Maria-Theresia Thaler to be continued in  
Abyssinia.

The Vienna press reports that the circulation of the Maria-Theresia Thaler, hitherto the official Ethiopian currency, will still be permitted in Abyssinia. The Lira, however, it is stated, will be the official currency.

865D.515/8

865d.515

# DOCUMENT FILE

## NOTE

SEE 865d.01/164 FOR #1839

FROM Italy ( Kirk ) DATED Aug. 19, 1936  
TO NAME 1-1127 \*\*\*

REGARDING: Report that a decree to be issued authorizing the circulation of the thaler and that three million thalers will be put into circulation.

mb

856D.515/9

7

## Finance.

With reference to the decree of July 2, 1936, establishing the Italian lira as the only legal currency in Ethiopia (Embassy's despatch No. 1797 of July 22nd), the press under Addis Ababa dateline now reports that a decree will shortly be issued authorizing the circulation of the thaler and that three million thalers will be put into circulation. By way of explanation of this change in policy, it states that "in view of the vast trade with the natives, especially in the interior regions, this circulation of thalers will permit a real resumption of commerce and also establish the value of the lire itself, which can always be changed into thalers. Naturally the lire will remain the only official currency, the thaler being tolerated during the period necessary for the substitution." It is admitted that "several months" more of experimentation will be needed before monetary and exchange conditions in Ethiopia can be systematized.

# DOCUMENT FILE

## NOTE

SEE 865D.516/15 FOR Tel #375 7 pm

FROM Ethiopia ( ) DATED Oct. 19, 1936  
TO NAME 1-1127 ..

REGARDING: Reconcile statement that decree declared Ethiopian paper money invalid after Oct. 15, 1936 with statement in economic survey mailed Sept. 1 that bank notes would be redeemed until Dec. 31, 1936. How is the rate of 2.4 thalers to the dollar arrived at?

865d.515/11

## DOCUMENT FILE

### NOTE

SEE 865d.516/17 FOR Tel. #612, 10 am

FROM Ethiopia (Engert) DATED Oct. 26, 1936  
TO NAME 1-1127 ...

REGARDING: Announcement by Italian authorities that date after  
which nickel coins will be invalid has been advanced  
to October 31, 1936, instead of December 22, as fixed  
by decree of August 10.

mb

865D.515/11

## DOCUMENT FILE

## NOTE

SEE 865d.01/196 FOR #47

FROM Italy (Kirk) DATED Oct. 22, 1936  
TO NAME 1-1127 o p o

REGARDING: Approval of draft of law to authorize the sale of Maria Theresa thalers by branches of the Bank of Italy and other public banks in Italian East Africa, to private persons at rate in lire fixed by Government General for their retirement.

b

865D.515/ 12

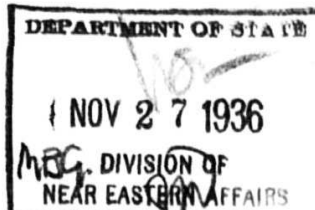
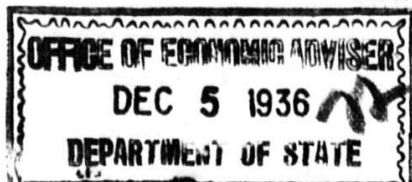


EMBASSY OF THE  
UNITED STATES OF AMERICA  
ROME, November 11, 1936

76945

No. 69

Subject: Control of the Sale and Exchange Rate of  
Maria Theresa Dollars in Italian East Africa



RECEIVED  
DEPARTMENT OF STATE

1936 NOV 24 PM 2 55

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

A-C/G  
RECORDING DESK

The Honorable

The Secretary of State,  
Washington.

Sir:

Supplementing the Embassy's despatch No. 1796 of July 23, 1936, I have the honor to transmit herewith in translation Royal Decree-law No. 1884 of October 15, 1936 relating to the monetary system of Italian East Africa.

The decree, which was published in the Official Gazette of November 15, 1936, advances the date when fractional coins of the Maria Theresa dollar must be exchanged for legal currency but regulates the sale and exchange rate of the dollars. It is intended to set a commercial value for this currency to be used in Italian East Africa.

Respectfully yours,

*William Phillips*  
William Phillips

Enclosures:  
Italian Text  
English Translation

SR/gc  
851.5

~~WE~~  
~~NE~~  
~~AE~~  
~~EA~~  
~~TA~~

Commercial Office (A/C/U)  
To *addis ababa*  
*12/3/36*

*Legation Addis Ababa*  
*Commerce*  
*Treasury*  
*AW*

NOV 30 1936

865D.515/13

FILED  
DEC 17 1936

FP



Enclosure No. 1, Despatch No. 69, November 11, 1936,  
American Embassy, Rome.

REGIO DECRETO-LEGGE 15 ottobre 1936-XIV, n. 1884.

Disciplina della cessione e del cambio dei talleri di  
Maria Teresa nell'Africa Orientale Italiana.

VITTORIO EMANUELE III

Per Grazia di Dio e per Volontà della Nazione

Re d'Italia

Imperatore d'Etiopia

Visto l'art. 3, n. 2, della legge 31 gennaio 1926-IV,  
n. 100;

Visto il R. decreto-legge 2 luglio 1936-XIV, n. 1371,  
sull'ordinamento monetario dell'Africa Orientale Italiana;

Riconosciuta l'urgente ed assoluta necessità di  
regolare la vendita dei talleri di Maria Teresa nell'Africa  
Orientale Italiana in relazione al loro valore commerciale;

Visto il R. decreto 1° ottobre 1936-XIV, con cui  
viene conferita al Capo del Governo la facoltà di firmare  
gli atti di competenza dei Ministri per le colonie e per  
i lavori pubblici;

Sentito il Consiglio dei Ministri;

Sulla proposta del Ministro Segretario di Stato per  
le colonie, di concerto con il Ministro Segretario di Stato  
per le finanze;

Abbiamo decretato e decretiamo:

Art. 1. -- Nell'Africa Orientale Italiana le filiali della  
Banca d'Italia e le pubbliche casse sono autorizzate a  
cedere talleri di Maria Teresa dietro pagamento di lire  
italiane allo stesso tasso previsto dall'art. 2 del R.  
decreto-legge 2 luglio 1936-XIV, n. 1371.

La cessione al Governo generale ed ai singoli Governi  
dell'Africa Orientale Italiana sarà effettuata previa

autorizzazione

autorizzazione del Ministro per le colonie, di concerto con il Ministro per le finanze, sentito il Sottosegretario di Stato per gli scambi e per le valute.

La cessione ai privati sarà regolata con norme da emanarsi dal Governatore generale dell'Africa Orientale Italiana, il quale determinerà altresì le pubbliche casse autorizzate ad eseguire la cessione.

Art. 2. -- L'applicazione delle disposizioni del presente R. decreto-legge e di quelle dell'art. 2 del R. decreto-legge 2 luglio 1936-XIV, n. 1371, potrà essere temporaneamente sospesa qualora le condizioni locali lo richiedano; la sospensione sarà disposta con decreto del Ministro per le colonie, di concerto con quello per le finanze.

Art. 3. -- Con decreti del Ministro per le finanze, da emanare di concerto con il Ministro per le colonie, saranno regolati i rapporti tra il Tesoro, la Banca d'Italia e le pubbliche casse relativamente alle operazioni di cambio previste dal presente R. decreto-legge e dal R. decreto-legge 2 luglio 1936-XIV, n. 1371; saranno stabiliti i necessari controlli sulla gestione relativa alle operazioni stesse e sarà provveduto agli stanziamenti di bilancio occorrenti, sia per quanto riguarda le entrate, sia per le spese inerenti all'attuazione del presente decreto, comprese quelle per l'acquisto dell'argento e per la coniazione dei talleri.

Per tale coniazione potrà pure essere utilizzato, in deroga all'art. 2 del R. decreto-legge 20 maggio 1935-XIII, n. 874, convertito nella legge 23 dicembre 1935-XIV, n. 2393, il metallo che verrà ricavato dalla demonetazione delle monete di cui al predetto articolo.

Art. 4.

Art. 4. -- Il termine fissato dall'art. 3 del R. decreto-legge 2 luglio 1936-XIV, n. 1371, per il cambio in moneta legale delle monete divisionali del tallero di Maria Teresa nella data del 31 dicembre 1936-XV è anticipato, per le monete di nichel, al giorno della pubblicazione del presente decreto nella Gazzetta Ufficiale.

Il presente decreto entra in vigore dal giorno della sua pubblicazione nella Gazzetta Ufficiale del Regno e sarà presentato al Parlamento per la conversione in legge.

Il Ministro proponente è autorizzato alla presentazione del relativo disegno di legge.

Ordiniamo che il presente decreto, munito del sigillo dello Stato, sia inserito nella raccolta ufficiale delle leggi e dei decreti del Regno d'Italia, mandando a chiunque spetti di osservarlo e di farlo osservare.

Dato a San Rossore, addì 15 ottobre 1936. Anno XIV

VITTORIO EMANUELE

Mussolini -- Di Revel

Visto, il Guardasigilli: Solmi.

(Official Gazette of November 5, 1936)

Translation

Royal Decree-law No. 1884 of October 15, 1936 - XIV

Control of the Sale and Exchange Rate of Maria Theresa  
Dollars in Italian East Africa.

Victor Emmanuel III

By the Grace of God and the Will of the Nation

King of Italy

Emperor of Ethiopia

In view of Article 3, No. 2 of Law No. 100 of  
January 31, 1926 - IV;

In view of the Royal Decree-law No. 1371 of July 2,  
1936 - XIV. Monetary System of Italian East Africa;

Recognizing the urgent and absolute necessity of  
regulating the sale in Italian East Africa of Maria Theresa  
dollars in relation to their commercial value;

In view of the Royal Decree-law of October 1, 1936 - XIV  
which conferred upon the Head of the Government power to  
sign enabling acts for the Ministries of Colonies and of  
Public Works;

Having heard the Council of Ministers; at the instance  
of the Minister Secretary of State for Colonies, in agree-  
ment with the Minister Secretary of State for Finances;

We have decreed and do decree:

Article 1. Branches of the Bank of Italy and public banks  
in Italian East Africa are authorized to sell Maria Theresa  
dollars against payment of Italian lire at the rate pro-  
vided in Article 2 of the Royal Decree-law No. 1371 of

July

July 2, 1936 - XIV.

The sale to the Government General and to the individual Governments of Italian East Africa will be effected after authorization by the Minister for Colonies in agreement with the Minister for Finance after having consulted the Undersecretary for Foreign Trade and Exchange.

The sale to private citizens will be regulated by rules to be issued by the Governor General of Italian East Africa, who will also determine the public banks authorized to make such allotment.

Article 2. The application of the provisions of the present Royal Decree-law and those of Article 2 of the Royal Decree-law No. 1371 of July 2, 1936 - XIV may temporarily be suspended should local conditions so require: such suspension will be regulated by decree of the Minister for Colonies in agreement with the Minister for Finance.

Article 3. The relations between the Treasury, the Bank of Italy and the public banks concerning the exchange operations provided for in the present Royal Decree-law and the Royal Decree-law No. 1371 of July 2, 1936 - XIV will be regulated by decrees of the Minister for Finance to be issued in agreement with the Minister for Colonies; the necessary measures of supervision of the handling of these operations shall be established and the necessary budget appropriation will be provided both as regards revenues and expenditures relating to the operation of the present decree, including purchase of silver and the coining of dollars.

For such coining there may also be used in derogation of Article 2 of the Royal Decree-law No. 875 of May 20, 1935 - XIII converted into law No. 2393 of December 23,

1935 - XIV,

1935 - XIV, metal to be derived from the demonetization of the coins referred to in the above-mentioned article. Article 4. The end of the period fixed as of December 31, 1936 by Article 3 of Royal Decree-law No. 1371 of July 2, 1936 - XIV for the conversion into legal currency of the fractional currency of the Maria Theresa dollar is advanced for nickel currency to the date of publication of the present decree in the Official Gazette.

The present decree shall go into force on the date of its publication in the Official Gazette of the Kingdom and will be submitted to Parliament for conversion into law.

The Minister proposing it is authorized to present the draft of the law.

We order that the present decree, sealed with the Seal of State, be placed in the official collection of laws and decrees of the Kingdom of Italy and command that it be observed and caused to be observed by all concerned.

Given at San Rossore, October 15, 1936. Year XIV.

Victor Emmanuel

Mussolini --- Di Revel

Seen: The Keeper of the Seal: Solmi.

# DOCUMENT FILE

## NOTE

SEE 365d.1163/27 FOR Telegram #3. 10 am.

FROM Ethiopia (Engert) DATED January 5, 1937.  
TO NAME 1-1127

REGARDING: Refusal of Italian authorities in Addis Ababa to exchange 4,600 paper thalers belonging to Presbyterian Mission at Gore, notwithstanding that it was physically impossible to comply with the time limit of the recent decree.

wth

865D.515/14

GDG

14

NE  
WE

RB

A portion of this telegram must be closely paraphrased before being communicated to anyone. (A)

ADDIS ABABA

Dated January 5, 1937

Rec'd 3:40 p. m.

Secretary of State

Washington.

3, January 5, 10 a. m.

(GRAY) Please see Legation's 594 October 15, 1 p. m., 612 October 26, 10 a. m. and paragraph 4 of 607 October 23, 10 a. m.

*Note  
865d.515*  
Presbyterian Mission here has recently received over 4,600 paper thalers from its station at Gore. Upon applying to the bank for permission to change them into lire it was refused on the ground that the time limit had expired and no exceptions could be made. (END GRAY)

As this is precisely the situation I had anticipated I respectfully suggest that I be authorized to point out to the Italian authorities the hardship and losses American citizens in the interior will suffer if they are precluded from changing their paper thalers into lire. Gore was not occupied by the Italians until November 26 and it was therefore physically impossible for Americans to comply with any Italian decrees prior to that date.

Or would the Department prefer to take the matter up in Rome?

ENGERT

CSB

# DOCUMENT FILE

## NOTE

SEE 865d.01/286 FOR Des.#371

FROM Italy (Phillips) DATED May 29, 1937  
# NAME 1-1127 GPO

### REGARDING:

Report of Italian administration and development of Ethiopia.  
Ministerial Decrees Nos. 2510 and 2511 for the issuance of  
gold, silver, and bronze "Empire" coins to replace those now in cir-  
culation.

ML

865D.515 /15

GML/5

# DOCUMENT FILE

## NOTE

SEE ..... 865d.01/290 ..... FOR ..... Despatch #383 .....

FROM ..... Italy ..... ( ..... Phillips ..... ) DATED ..... May 28, 1937 .....  
TO ..... NAME ..... 1-1127 GPO

REGARDING: Monetary policy of Italian East Africa.

fp

865D.515/16

GML

### MONETARY POLICY.

Senator Theodoli has said that it is premature to force the lira upon the Empire, obviously considering only the economic aspect of the question. We have also had to consider political considerations, which made it impossible to delay introducing national currency as one of the elementary and fundamental attributes of sovereignty.

I...

I may add that the Maria Theresa thaler is not a money, but a commodity, and that as such we have not only kept it at its variable value, but have put several million coins into circulation. Has Senator Theodoli thought of the consequences to our trade in national products and to Italian merchants if transactions had to be made on the fluctuating basis of the thaler alone, without any reference to national currency? And on the other hand, if the lira had not been promptly introduced at the beginning of the formation of the new imperial economy, those inevitable disturbances which Senator Theodoli referred to would have been far greater and would also have disrupted our new imperial economy with a damage which to ourselves, the dominators of the Empire, would have been far more serious.

I have referred only to Maria Theresa thalers, since I do not believe that Senator Theodoli alluded to the sole real money existing prior to our occupation, the Menelik thaler, with its divisional coins and paper money issued by the National Bank of Ethiopia, which is now fortunately in liquidation.

# DOCUMENT FILE

## NOTE

SEE 365d.01/292 FOR Despatch #432

FROM Italy ( Phillips ) DATED June 17, 1937  
TO NAME 1-1137 670

REGARDING: Currency- Italian East Africa. By decree of June 14th  
the Maria Teresa thaler may be changed into Italian lire.

### Finance.

The press under Addis Ababa date line of June 14th reports that by Viceregal decree of June 13th the Maria Teresa thaler may be changed into Italian lire at branches of the Bank of Italy and of Public Banks at the rate of 13.50 lire.

**DEPARTMENT OF STATE**  

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**DIVISION OF EUROPEAN AFFAIRS**

January 3, 1937

Summary of Despatch No. 683, from Embassy  
at Rome, dated December 2, 1937

Subject: Proposed Replacement of Thalers  
by Italian Lire

With the spread of the price of silver in Italy and abroad, it becomes profitable to coin abroad contraband Maria Theresa thalers for use in Ethiopia. Since it is believed in Italy that Italian interests are injured by the smuggling into Ethiopia of these thalers, Italian authorities are recommending that the replacement of thalers by Italian lire be hastened.

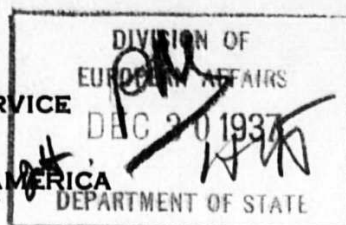
*HUK*

Eu:Tittmann:LF

*[Signature]*



THE FOREIGN SERVICE  
RECEIVED THE  
DEPARTMENT OF STATE  
UNITED STATES OF AMERICA



1937 DEC 14 PM 4 05

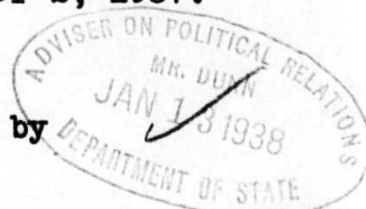
AMERICAN EMBASSY

ROME, December 2, 1937.

DIVISION OF  
COMMUNICATIONS  
AND RECORDS

No. 683

Subject: Proposed Replacement of Thalers by  
Italian Lire.



Commercial Office (A-14/O)

To the Field  
IN U. S. A.

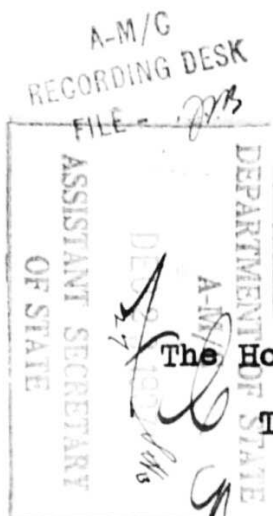
Copy to Treasury

" " Consulate at Aden

DEC 28 1937

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*Ch*

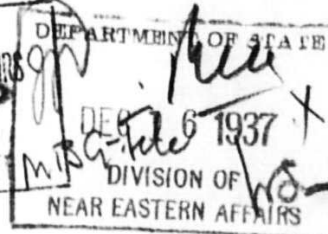
865D.515/18



The Honorable

The Secretary of State

Washington.



Sir:

In connection with a press report published in Italy to the effect that the Brussels mint was coining 100,000 Maria Theresa thalers ordered in France for contraband in Ethiopia, I have the honor to report that the AGENZIA ECONOMICA E FINANZIARIA has published the results of calculations made by Senator Bevione showing the injury Italian interests may sustain from such contraband and has expressed the view that the replacement of thalers by Italian lire must be hastened. This view has been confirmed by other Colonial officials.

The aforesaid calculations show that the thaler, which weighs 28.06 grams, contains approximately 23.4 grams of fine silver. At the corporative price for silver

in...

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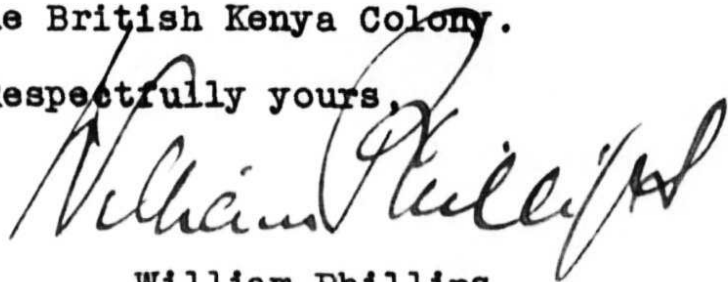
JAN 17 1938

865D.515

in Italy at present, the silver content per thaler amounts to 8.97 lire. If 10% for alloy, coinage, shipment and insurance is added, the cost of the thaler minted in Italy equals 9.865 lire. On the other hand, silver is quoted abroad at the equivalent of approximately 250 lire per kilo, or approximately 5.85 lire of fine silver per thaler. With the addition of the aforesaid 10% charges, the cost of producing a thaler on the international market amounts to 6.435 lire, or 3.43 lire below the Italian cost. Thus, since the corporative price of silver in Italy is higher than the price of silver on the open market, international speculators are encouraged to invest capital in the contraband thalers, which would, on the basis of the aforesaid calculations, give a profit of 3.43 lire per thaler.

It is further reported that a considerable quantity of contraband thalers are being shipped across the Ethiopian frontier from the British Kenya Colony.

Respectfully yours,

A handwritten signature in dark ink, appearing to read 'William Phillips', with a stylized flourish at the end.

William Phillips.

## DOCUMENT FILE

## NOTE

SEE 865d.00/35 FOR #1024

FROM Italy (Phillips) DATED July 29, 1938  
TO NAME 1-1127 o p o

REGARDING: Currency situation in Ethiopia.

Information concerning - which was furnished by a newspaper  
correspondent who has just returned from that country.

865D.515 / 19 1 9

Central File: Decimal File 865D.515, Internal Affairs Of States, Financial Conditions. Budget. Dept. Bond Issues. Loans. Public Securities. Credits., Italian East Africa, Monetary System. Coinage. Currency. Mint. Bullion., May 29, 1936 - July 29, 1938. May 29, 1936 - July 29, 1938. MS European Colonialism in the Early 20th Century. National Archives (United States). Archives Unbound, [link.gale.com%2Fapps%2Fdoc%2FSC5109727492%2FGDSC%3Fu%3Domni%26sid%3Dbookmark-GDSC](https://link.gale.com/apps/doc/FSC5109727492/FGDSC%3Fu%3Domni%26sid%3Dbookmark-GDSC). Accessed 18 June 2025.